

**THE ELEVENTH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2011**

The Eleventh Judicial District - Judicial Expense Fund
Financial Report
June 30, 2011

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Stephen B. Beasley, District Judge
The Eleventh Judicial District - Judicial Expense Fund
P. O. Box 9
Many, LA 71449

We have compiled the accompanying financial statements of the governmental activities, major fund, and remaining fund information of the Eleventh Judicial District - Judicial Expense Fund (the Fund) as of and for the year ended June 30, 2011, which collectively comprise the Fund's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

December 22, 2011
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Net Assets
June 30, 2011

Current Assets-	
Cash & Cash Equivalents	\$222,618
Noncurrent Assets-	
Capital Assets (Net)	<u>3,407</u>
Total Assets	<u>\$226,025</u>
LIABILITIES:	
Payroll & Related Liabilities	\$ <u>1,866</u>
NET ASSETS:	
Invested in Capital Assets	\$ 3,407
Unrestricted	<u>220,752</u>
Total Net Assets	<u>\$224,159</u>

See accompanying notes and accountant's report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Activities
For the Year Ended June 30, 2011

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Fees, Fines, Commissions, And Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$157,990</u>	<u>\$79,875</u>	<u>\$86,815</u>	<u>\$0</u>	<u>\$ 8,700</u>

General Revenues:

Interest Income	\$ 659
Miscellaneous	<u>10,488</u>
Total General Revenues	<u>\$ 11,147</u>
Change in Net Assets	<u>\$ 19,847</u>
Net Assets at Beginning of Period	<u>204,312</u>
Net Assets at End of Period	<u>\$224,159</u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Balance Sheet
June 30, 2011

	<u>Major Fund</u> <u>General Fund</u>	<u>Non-Major Fund</u> <u>FINS Fund</u>	<u>Totals</u>
ASSETS:			
Cash & Cash Equivalents	<u>\$222,160</u>	<u>\$458</u>	<u>\$222,618</u>
LIABILITIES:			
Payroll & Related Liabilities	\$ 1,866	\$ 0	\$ 1,866
FUND BALANCE:			
Unassigned	<u>220,294</u>	<u>458</u>	<u>220,752</u>
Total Liabilities and Fund Balance	<u>\$222,160</u>	<u>\$458</u>	<u>\$222,618</u>

See accompanying notes and accountant's report.

The Eleventh Judicial District - Judicial Expense Fund
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
June 30, 2011

Total Fund Balance for the Governmental Fund at June 30, 2011	\$220,752
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Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Equipment, Buildings, and Vehicles	\$ 27,387	
Less: Accumulated Depreciation	<u>(23,980)</u>	<u>3,407</u>

Total Net Assets of Governmental Activities at June 30, 2011	<u>\$224,159</u>
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See accompanying notes and accountant's report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balance-Governmental Funds
For the Year Ended June 30, 2011

	<u>Major Fund</u> <u>General Fund</u>	<u>Non-Major Fund</u> <u>FINS Fund</u>	<u>Totals</u>
REVENUES:			
Bond Fees, Forfeitures and Court Costs	\$ 79,875	\$ 0	\$ 79,875
Intergovernmental- State of Louisiana	56,153	30,662	86,815
Miscellaneous- Other	10,488	0	10,488
Interest Earnings	<u>659</u>	<u>0</u>	<u>659</u>
Total Revenues	<u>\$147,175</u>	<u>\$30,662</u>	<u>\$177,837</u>
EXPENDITURES:			
Current- Administrative- Personnel Costs	\$ 98,592	\$ 0	\$ 98,592
Operating and Administrative Fees Paid to Others	27,046 <u>0</u>	0 <u>30,662</u>	27,046 <u>30,662</u>
Total Expenditures	<u>\$125,638</u>	<u>\$30,662</u>	<u>\$156,300</u>
Excess of Revenues over Expenditures	\$ 21,537	\$ 0	\$ 21,537
Fund Balance- Beginning of Period	<u>198,757</u>	<u>458</u>	<u>199,215</u>
Fund Balance-End of Period	<u>\$220,294</u>	<u>\$ 458</u>	<u>\$220,752</u>

See accompanying notes and accountant's report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2011

Net Change in Fund Balance-Governmental Funds	\$21,537
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(1,690)</u>
Net Change in Net Assets per Statement of Activities	<u>\$19,847</u>

See accompanying notes and accountant's report.

NOTES TO FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

Introduction:

The Eleventh Judicial District - Judicial Expense Fund (the Fund) was created by LSA-RS 13:996.58. The purpose of the Fund is to provide sufficient funding to expedite efficient operation of the court. In general, the Fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration of the court.

The Eleventh Judicial District Court (the District) was created by LSA-RS 13:477(11). The District is comprised of Sabine Parish with a courthouse in Many, LA. The District's purpose is general jurisdiction judgeship. The voters of the parish elect one judge of the District to a six-year term.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Eleventh Judicial District - Judicial Expense Fund includes all funds that are within the oversight responsibility of the District. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District is deemed to be a separate reporting entity. Certain units of local government over which the District exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

C. Fund Accounting-

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Eleventh Judicial District - Judicial Expense Fund
 Parish of Sabine, Louisiana
 Notes to Financial Statements
 June 30, 2011

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the District.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Fixtures & Equipment

5-7 years

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Fund implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance---amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

F. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

At June 30, 2011, the District had cash and cash equivalents totaling \$223,293 (collected bank balances). Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at June 30, 2011, were fully secured by FDIC Insurance.

3. Compensated Absences:

Employees of the Eleventh Judicial District - Judicial Expense Fund cannot carry leave forward from year to year. Therefore, there is no entry made for compensated absences.

4. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2011, is as follows:

<u>Activities</u>	<u>Balance 06-30-10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-11</u>
Capital Assets Depreciated:				
Equipment	\$16,391	\$ 0	\$0	\$16,391
Furniture & Fixtures	8,926	0	0	8,926
FINS Equipment	<u>2,070</u>	<u>0</u>	<u>0</u>	<u>2,070</u>
Total Assets	<u>\$27,387</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$27,387</u>

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

<u>Activities</u>	<u>Balance 06-30-10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-11</u>
Less, Accumulated Depreciation:				
Equipment	\$15,836	\$ 555	\$0	\$16,391
Furniture & Fixtures	5,833	721	0	6,554
FINS Equipment	621	414	0	1,035
Total Depreciation	<u>\$22,290</u>	<u>\$ 1,690</u>	<u>\$0</u>	<u>\$23,980</u>
Net Capital Assets	<u>\$ 5,097</u>	<u>\$(1,690)</u>	<u>\$0</u>	<u>\$ 3,407</u>

Depreciation expense was charged as follows:

General Fund	\$1,276
FINS Fund	<u>414</u>
Total	<u>\$1,690</u>

5. Pension Plan:

Louisiana State Employees' Retirement System (LASERS)

Plan Description. All eligible full-time administrative employees are required to participate in the System. Excluded by law are independent contractors and certain other non-employee relationships. Participants who retire at the following ages, after the stated years of creditable service, are entitled to a retirement benefit as calculated by the LASERS benefit formula:

At any age	after 30 years of creditable service
At age 55	after 25 years of creditable service
At age 60	after 10 years of creditable service
At age 50	with 10 years, if retiring from a position which is being eliminated.

Additionally, participants may retire with 20 years of service credit at any age with actuarially reduced benefits.

LASERS benefit formula is designed so a retiree receives a maximum retirement benefit equal to 2.5% of their final average compensation for every year of creditable service; an additional \$300 is applied if a participant joined LASERS before July 1, 1986. Benefits may not exceed 100% of final average compensation. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2011

The System also provides death and disability benefits. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employee's Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

Funding Policy. Plan members are required to contribute 8.0 percent of their annual covered salary and the Eleventh Judicial District - Judicial Expense Fund is required to contribute at an actuarially determined rate. The current rate is 18.5 percent of annual covered payroll. The contribution requirements of plan members and the Eleventh Judicial District - Judicial Expense Fund are established and may be amended by state statute. As provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Eleventh Judicial District - Judicial Expense Fund's contributions to the System for the period ended June 30, 2011, was \$3,341, respectively, equal to the required contribution for the year.

The Eleventh Judicial District - Judicial Expense Fund Judges are also members of the Louisiana State Employees' Retirement System. Judges of the District are paid directly by the state and the state pays the employer contribution on their behalf. For that reason, contributions made on behalf of the judges are not included in the amounts referenced in the above paragraph. Additionally, any variances, if any, in "Plan Description" or "Funding Policy" are not included in this note.

6. Expenditures of the Judicial District Not Included in the Accompanying Financial Statements:

The accompanying financial statements do not include certain salary or administrative expenditures for the District paid out of the funds of the Sabine Parish Police Jury or directly by the State.

7. Litigation:

Management has advised that there is no litigation pending against the Eleventh Judicial District - Judicial Expense Fund at June 30, 2011.

8. Subsequent Events:

Management has evaluated events through December 22, 2011, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SUPPLEMENTAL INFORMATION SCHEDULES

The Eleventh Judicial District - Judicial Expense Fund
Major Fund-General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Fees & Charges for Services	\$ 77,700	\$ 79,875	\$ 2,175
Intergovernmental	55,000	56,153	1,153
Interest Income	500	659	159
Miscellaneous	<u>11,050</u>	<u>10,488</u>	<u>(562)</u>
Total Revenues	<u>\$144,250</u>	<u>\$147,175</u>	<u>\$ 2,925</u>
EXPENDITURES:			
Current-			
Judicial-			
Personnel Costs	\$111,812	\$ 98,592	\$ 13,220
Operating & Administrative	<u>33,300</u>	<u>27,046</u>	<u>6,254</u>
Total Expenditures	<u>\$145,112</u>	<u>\$125,638</u>	<u>\$ 19,474</u>
(Deficiency) Excess of Revenues over Expenditures	\$ (862)	\$ 21,537	\$ 22,399
Fund Balance-Beginning of Year	<u>198,757</u>	<u>198,757</u>	<u>0</u>
Fund Balance-End of Year	<u>\$197,895</u>	<u>\$220,294</u>	<u>\$ 22,399</u>

See accountant's report.

The Eleventh Judicial District - Judicial Expense Fund
Non-Major Fund-FINS Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
State of Louisiana	\$30,662	\$30,662	\$0
Interest Income	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$30,662</u>	<u>\$30,662</u>	<u>\$0</u>
EXPENDITURES:			
Current- Judicial- Fees Paid to Others	<u>\$30,662</u>	<u>\$30,662</u>	<u>\$0</u>
Excess of Revenues over Expenditures	\$ 0	\$ 0	\$0
Fund Balance-Beginning of Year	<u>458</u>	<u>458</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 458</u>	<u>\$ 458</u>	<u>\$0</u>

See accountant's report.